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SUBJECT: PSI: SUMMARY OF MAY 28-29, 2008 PSI 5TH
ANNIVERSARY SENIOR LEVEL MEETING AND OUTREACH WORKSHOP

REF: A. STATE 023568
B. STATE 023570

¶1. SUMMARY: On the occasion of the fifth anniversary since the President's announcement of the Proliferation Security Initiative (PSI), the U.S. hosted a PSI Senior Level Meeting and PSI Outreach Workshop on May 28-29, 2008 in Washington, DC. The May 28 senior level meeting was for senior nonproliferation policy-makers from all PSI endorsing states. The 86 PSI states represented at the meeting reviewed the PSI's results and successes over the last five years and looked at ways to continue strengthening the Initiative for the future. On May 29, the U.S. and PSI partners presented a PSI outreach workshop that provided detailed information on the broad range of PSI activities for all states interested in learning more about the PSI, both endorsing states and non-endorsing states. 21 non-PSI states attended the outreach workshop, as well as all but a few of the PSI endorsing states.

¶2. OBJECTIVE AND ACTION REQUESTED: Washington wishes to provide the Government of the Commonwealth of the Bahamas (GCOB) the results of the PSI Senior Level Meeting and Outreach Workshop. Post is requested to provide the following summaries of the May 28-29 meetings to host government officials from relevant agencies such as Ministries of Foreign Affairs, Ministries of Defense, Law Enforcement Agencies (including Customs, Border Guards, etc.), and Intelligence Agencies. Note: GCOB representative only attended the May 29 Outreach Workshop.

¶3. POINTS OF CONTACT: Additional meeting materials and presentations for post's reference can be provided by State/ISN/CPI Carlos Guzman (GuzmanCS@state.gov) or Jane Purcell (PurcelJA@state.gov) upon request.

¶4. BEGIN TEXT OF SUMMARY OF THE PSI FIFTH ANNIVERSARY SENIOR LEVEL MEETING HELD ON MAY 28, 2008:

John C. Rood, U.S. Acting Under Secretary of State for Arms Control and International Security, chaired the Senior-Level Meeting on Wednesday, May 28, 2008, open to all states that have endorsed the Proliferation Security Initiative (PSI). 86 of the 92 PSI endorsing countries sent representatives to the meeting. The focus of the meeting was to review the PSI's results and successes over the last five years and look at ways to continue strengthening the PSI for the future.

The meeting covered a broad range of topics, including reviewing the first five years of the PSI and identifying challenges for the future; discussing efforts to strengthen international frameworks to combat WMD proliferation; and expanding distribution of PSI information to all PSI partners. Stephen J. Hadley, Assistant to the President for National Security Affairs, gave the keynote address discussing proliferation challenges for the 21st century, and how the PSI can continue to help meet the counterproliferation challenges in the years ahead. The address was the only event open to the media and attracted

considerable attention from the press.

-- TAKING STOCK: THE FIRST FIVE YEARS. France led a panel of speakers from Spain, The Netherlands, Russia, and Italy that reviewed the first five successful years of the PSI; looked back at lessons learned over the last five years on implementing PSI; described issues that pose obstacles in implementing the PSI Statement of Interdiction Principles, and raised ideas about the way ahead to solve them. During open discussion the panel challenged PSI partners to develop ideas on the right tools to intervene and to focus on those problems that need improvement both at the national and international level. Panelists introduced ideas to maintain momentum such as continued PSI exercises, improved national decision-making processes, improvements in legal frameworks, outreach to industry, and outreach to non-PSI countries. Through these means, PSI partners will maintain the ability to adapt to the ever changing and deceptive methods used by proliferators.

-- LOOKING AHEAD: CONTINUING TO STRENGTHEN THE PSI. The UK led a panel of speakers from Turkey, New Zealand, Croatia, Lithuania, and Kazakhstan that discussed current proliferation threats; challenges of the current proliferation environment and ideas on how to deal with them; how to improve international cooperation for more rapid interdiction action; ways to increase PSI countries, participation in PSI activities; ideas on how PSI countries can improve regional capacities and cooperation; and the importance and challenges of countering proliferation by air.

-- KEYNOTE LUNCHEON ADDRESS. Poland's MFA Under Secretary of State Witold Waszczykowski discussed the contributions PSI has made in the last five years, highlighted the regional cooperation in Central and Eastern Europe in PSI activities, and encouraged all PSI partners to organize regional activities and outreach, so as to continue broadening the international consensus in support of the fight against the proliferation of WMD.

-- EFFORTS TO STRENGTHEN INTERNATIONAL FRAMEWORKS. Japan led a panel of speakers from Canada, Australia, the UAE, and Spain on how new treaties and frameworks support the PSI; and how the PSI can fill gaps and assist in examining and strengthening national legal authorities and applicable international law. The panelists discussed the role of UN Security Council Resolution (UNSCR) 1540, UNSCRs 1718 (DPRK) and 1737/1747/1803 (Iran), proliferation finance guidance produced by the Financial Action Task Force (FATF), illicit WMD proliferation during meetings of the International Civil Aviation Organization (ICAO), and the 2005 protocols to the Convention on the Suppression of Unlawful Acts (SUA) Against the Safety of Maritime Navigation.

-- EXPANDING THE DISTRIBUTION OF PSI INFORMATION. Germany offered a detailed brief on its efforts to develop a web portal available to PSI partners to enhance collective and individual interdiction capability through information-sharing, using a password-protected PSI website. The PSI website is available for initial review by all PSI partners. Access to the website can be obtained through the local German Embassy for login and password information.

-- WASHINGTON DECLARATION FOR THE PSI 5TH ANNIVERSARY SENIOR LEVEL MEETING. The meeting concluded with the adoption of the Washington Declaration reaffirming the commitment of all PSI partners to the Statement of Interdiction Principles and renewed efforts to strengthen the PSI at both the national and international level.

Meeting information can be found at the U.S. PSI webpage at www.state.gov/t/isn/c10390.htm, to include the Washington Declaration, NSA Stephen Hadley's speech, updated PSI fact sheet, and Frequently Asked Questions (FAQ's). Available presentation materials were distributed to PSI country representatives who attended the meeting on May 28. Presentation materials are available upon request.

END TEXT.

15. BEGIN TEXT OF SUMMARY OF THE PSI FIFTH ANNIVERSARY OUTREACH WORKSHOP HELD ON MAY 29, 2008:

Patricia A. McNerney, Acting Assistant Secretary for the International Security and Nonproliferation Bureau of the U.S. Department of State, chaired a PSI Outreach Workshop on Thursday, May 29, open to all PSI countries and non-PSI countries. 21 non-PSI countries attended the meeting. The workshop provided detailed information on the broad range of PSI activities, and shared best practices and tools that have been developed to assist countries with implementing the PSI Statement of Interdiction Principles.

-- OVERVIEW OF THE PSI. France led a panel of speakers from the U.S. and UK that addressed the origins of the PSI, the Statement of Interdiction Principles and its practical implications as a equal and voluntary initiative that fully respects national and international laws; and presented new examples of PSI successes and the benefits of PSI, demonstrating how the PSI enhances the global nonproliferation objectives of all countries.

-- CURRENT PROLIFERATION THREATS AND CHALLENGES. The UK led a panel of speakers from Australia, Canada and Italy that discussed the challenges posed by transshipments by sea, land, and air and lessons learned during the last five years; cooperation with industry and involvement of industry in support of effective interdiction activities; and challenges with interdicting dual-use items and materials. In addition, the topic of proliferation finance was introduced to convey how proliferators exploit financial vulnerabilities of the international financial system to finance the trade of prohibited proliferation sensitive items and how FATF has developed guidance to deal with this problem at the national and international level. The organization of national customs operations to prevent and stop proliferation-related trafficking was also covered.

-- THE PSI OPERATIONAL EXPERTS GROUP (OEG). The UK introduced the role of the OEG, emphasizing that the OEG works on behalf of all PSI endorsing states to develop operational concepts for interdiction; explore related operational issues associated with the legal, law enforcement, customs and intelligence arenas; and collaborate to develop an exercise program to increase partner capacity and improve national and international interoperability. The presentation highlighted the record of the OEG in the last five years to include 16 meetings, over 30 exercises, tabletops, and workshops and developing capacity building products such as the New Zealand Model National Response Plan and the U.S. WMD Commodity Reference Manual. It concluded with addressing the challenges for the OEG in the areas of growth, sustaining momentum, and adapting to the threat of WMD proliferation.

-- THE PSI AND INDUSTRY OUTREACH. Denmark introduced its experience with industry outreach to address ways of conducting interdiction operations minimizing impact to trade; the importance of information exchange between government agencies and industry; developing guidelines for cooperation; involving industry during exercises; and examples on how to conduct industry outreach at the national and international level.

-- THE PSI EXERCISE PROGRAM. Poland led a panel of speakers from the U.S., Ukraine, and Croatia that introduced the PSI exercise program and the history of PSI exercises; explained the exercise strategy for current and future exercises; discussed the different types of exercises in the maritime, land and air domains and described the different interagency actions involved with each area. The presentation also discussed the benefits of participating in exercises and ideas on level of involvement and participation in future exercises, to include non-PSI countries as observers when opportunities arise. Ukraine and Poland offered short briefs on their respective hosting experiences concerning two recent

PSI exercises. Ukraine hosted PSI exercise Eastern Shield in October 2007 and Croatia hosted PSI exercise Adriatic Shield in May 2008.

-- PSI LEGAL LESSONS LEARNED. The UK and the Netherlands introduced a primer on legal aspects related to the PSI, emphasizing that all PSI activities are consistent with national and international laws. The presentation highlighted the importance of taking stock of existing national authorities and emphasized the utility of PSI as a tool to enforce UNSCR 1540. Additionally the issue of jurisdiction, disposition and liability were addressed, highlighting that these issues pose short-term implementation challenges in some instances but at the same time, demonstrate a measure of the success of the PSI in interdicting prohibited WMD-related items.

-- ORGANIZING FOR THE PSI. New Zealand provided an overview of the PSI Model National Response Plan that provides guidance on key issues that a country needs to consider when developing a framework for responding to a PSI situation and addresses questions and issues to be addressed when developing or improving national plans. A copy of the plan was distributed to all PSI and non-PSI countries in attendance. Singapore provided a brief on how a government can organize internal interagency coordination to optimize its ability to achieve overall PSI objectives. It highlighted the creation of an Inter-Ministerial Committee to assess, coordinate, and advise senior officials on relevant agency actions related to PSI events, with the goal of achieving interconnectivity by all relevant agencies, prompt exchange and flow of information, and a timely response.

-- WALK-THROUGH OF AN INTERDICTION SCENARIO. A U.S. Naval War College professor facilitated a panel discussion on two interdiction actions based on hypothetical WMD trafficking interdiction scenarios. The panel consisted of legal, diplomatic, policy, military, and custom/law enforcement experts highlighting key issues that may arise during an interdiction situation. The scenarios provided participants with lessons about the PSI that have been identified through previous PSI games, exercises, and real world interdictions.

-- HOW EXPORT CONTROLS SUPPORT THE PSI. Romania and Croatia presented briefs on their governments' experience in enacting export control laws, emphasizing the importance of strengthening primary export control legislation; taking stock of existing legislation to address gaps with revised and new legislation; highlighting the efficiency of a catch-all clause; and asserting that all countries, including those not a country of origin, face the threat of WMD proliferation and may provide opportunities along a proliferation or smuggling route.

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